

Children's Cabinet

October 26, 2021

Agenda – 4-5pm

- Welcome, Introductions, and adoption of minutes
- Presentation on RI Rebounds
 - Addressing the Child Care Workforce Crisis and Supporting New Family Child Care Program Providers
 - Investing in Pediatric Healthcare Recovery
 - Supporting Early Intervention Recovery
 - Supporting DCYF Workforce Stabilization
 - Investing in Affordable Housing and Housing Stability Supports
- Public Comment
- Adjournment

Addressing the Child Care Workforce Crisis and Supporting New Family Child Care Program Providers

Early Learning matters. High-quality, accessible, and affordable early childhood programs are foundational to student success and a resilient economy.

“Early childhood development is the compelling economic, social and moral issue of our time... It is also the most effective way to build the workforce and customer base we need.” - *John Pepper, Former Chairman & CEO, Proctor & Gamble*

For Children: Increases literacy & fosters future success

Children who attended high-quality early childhood programs and read on grade level in 3rd grade are:

- 18% more likely to graduate from high school
- 40% less likely to be arrested for a violent crime by 18
- 28% less likely to be placed in special education
- 26% less likely to be retained in a grade

For Small Businesses: Supports women-owned small businesses

Investing in early childhood not only helps working mothers, but it also helps the women who own and work at these businesses:

- Almost all of the **850+ child care sites** in Rhode Island are led or owned by women
- The **workforce within child care is almost entirely female**, and unlike K-12, is much more diverse

For Working Families: Makes RI a great place to live & raise children

- In D.C., universal pre-K led to a **10% increase in the employment of mothers** with young children
- Child care helps parents **return to work and generate an additional \$79,000 in lifetime earnings** for mothers
- 44% of parents reported that the lack of child care resources was a barrier to working during the pandemic
- In the September jobs report, women lost 26,000 jobs

For Rhode Island's Economy: Creates a reliable workforce

- Providing child care **decreases employee absences** by up to 30% and job turnover by up to 60%
- Across RI, the child care industry has an **estimated economic impact \$332 million**, including revenue generated by child care providers and spillover or related productivity in other sectors
- The child care sector sustains **8,200+ jobs throughout the state**

Caregivers – especially moms – are struggling to re-enter the workforce because of a lack of child care, which is holding back the entire economy.

Child care enables the economy

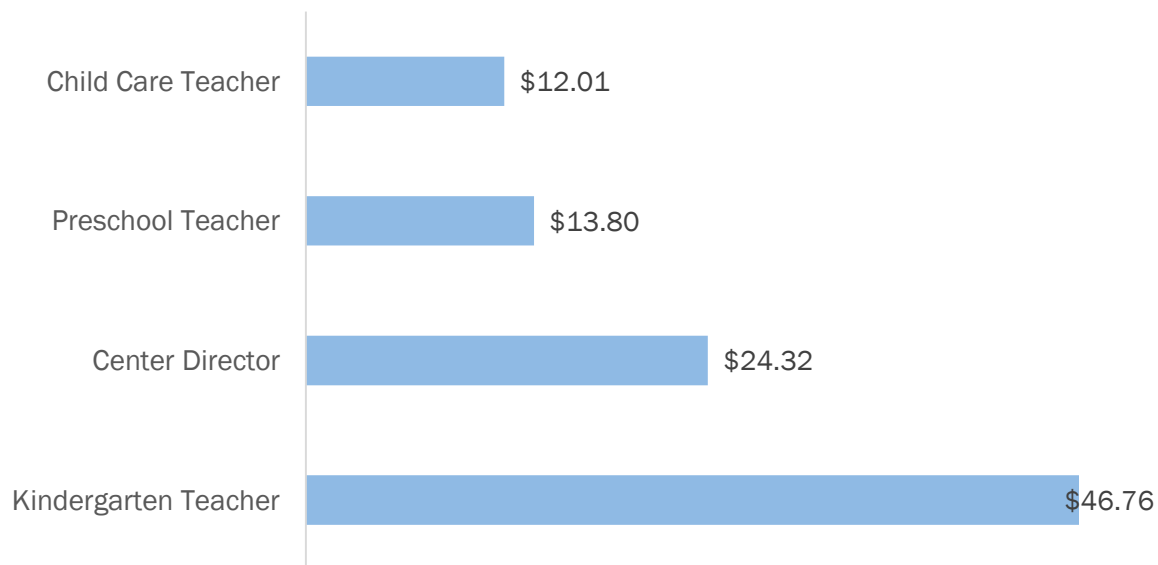
- Businesses across RI are struggling to find workers to fill open positions
- The most recent jobs report demonstrates that the lack of child care is exacerbating the workforce shortages in other areas of the economy.
- Of all jobs added nationally in August 2021, only **11.9% went to women**, which is partially due to ongoing lack of child care



RI needs more capacity in child care to meet family demand. However, the child care industry is facing workforce challenges of its own, making it difficult to open new child care rooms.

“I’ve seen early childhood educators forced to choose between paying their phone bill and being able to afford health care bills. I know of classroom teachers working two jobs to make ends meet, despite working long hours in a high-stress job. It’s not sustainable” – Kayla Arruda, child care program administrator

Teacher Median Hourly Wages in Rhode Island 2019



- In RI, child care educators on average make \$12/hour, much less than the wages offered in other sectors, especially right now as all industries look for employees
- In a recent national survey, the National Association for the Education of Young Children found that 80% of respondents from child care centers reported a staffing shortage. Half of them are serving fewer children; one in every three have a longer waitlist or are unable to open classrooms; and one in every four have reduced their operating hours.
- 78% of respondents identified low wages as the main obstacle to recruitment of educators, while 81% percent said they are a key reason that educators leave.

Investment proposal: Support child care providers in attracting and retaining staff in child care in order to open new classrooms and ensure existing classrooms can stay open.

Stabilize the workforce behind the workforce

- Retain the existing workforce and attract new workers by offering **\$1000 retention bonuses** to educators who stay in their positions for 6 months, 2x a year
 - Available for 8,200+ child care educators who support the education and development of RI's youngest learners
 - Supports pay equity, as almost all child care educators are women and many are women of color
 - Premium pay is a best practice & specifically encouraged by the federal government as a use of stimulus funds
 - Other states – including Illinois and Colorado – are investing directly in the workforce through premium pay



Investment proposal: Expand family child care capacity through start-up grants and focused technical assistance

Support new small-businesses in a high-demand care model

- Fund the start-up costs of 100 new Family Child Care (FCC) providers to open high-quality Family Child Care options and increase the overall supply of child care in the state.
 - The number of licensed FCC providers in RI has declined throughout the pandemic.
 - However, FCC is a high demand care setting -- families may choose this care setting for a variety of reasons, including a smaller environment, a more culturally responsive setting (more than half of RI's FCC provider community is native Spanish speakers), and/or the offer of more flexible and “non-standard” hour care.
 - By supporting start-up costs (\$2000/provider) and providing intensive technical assistance, RI will have 100 new FCC providers – representing up to 800 new child care seats – to address the capacity constraints and provide families with more care options



Investing in Pediatric Healthcare Recovery



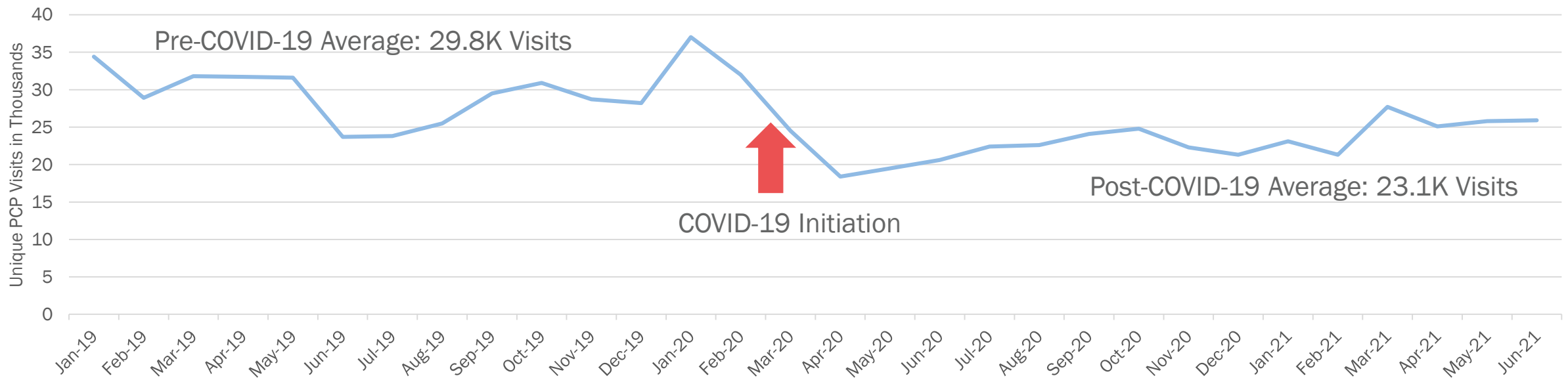
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Pediatric Primary Care Utilization is Slow to Recover

After initial stark declines in pediatric primary care utilization in Medicaid following the onset of the COVID-19 pandemic, recovery to pre-pandemic levels has been slow. Visits remain 20% below pre-COVID averages.

- Medicaid's benefit package for children offers a comprehensive array of preventive, screening, and diagnostic services that are critical to putting children on a healthy developmental path and intervening early as developmental risks are identified.
- Making sure kids are showing up to the doctor to receive these services is critical for long term health, cognitive and emotional development, and school readiness, particularly after the significant disruptions of COVID-19 on children.

Primary Care Visits Among Medicaid Covered Children (aged 0-18) Pre- and Post-COVID-19



Pediatric Healthcare Recovery will improve child Primary Care use and health outcomes

Purpose

- The **Pediatric Healthcare Recovery** program will provide stabilization funds as well as performance-based payments to pediatric and family practice primary care providers who serve Medicaid covered children. The funds will serve to a) create a meaningful incentive for pediatric primary care providers to improve access to primary care and screening rates for healthy physical, cognitive, and social-emotional development, and b) drive investment into pediatric primary care practices to support the staffing and infrastructure needed to rebound from COVID-19 related delays in care. This proposal builds on a successful CARES Act program.

Methodology

- Pediatric Healthcare Recovery payments will be calculated based on the number of active Medicaid patients under the age of 18 seen by the practice and split into monthly payments, contingent upon reporting on and achieving performance benchmarks.
 - Practices will have to report performance monthly on access, developmental screening, and social-emotional screening measures, to be defined by EOHHS
 - In order to earn each monthly payment, practices will have to meet pre-defined benchmarks or demonstrate meaningful performance over the prior month.

Budget

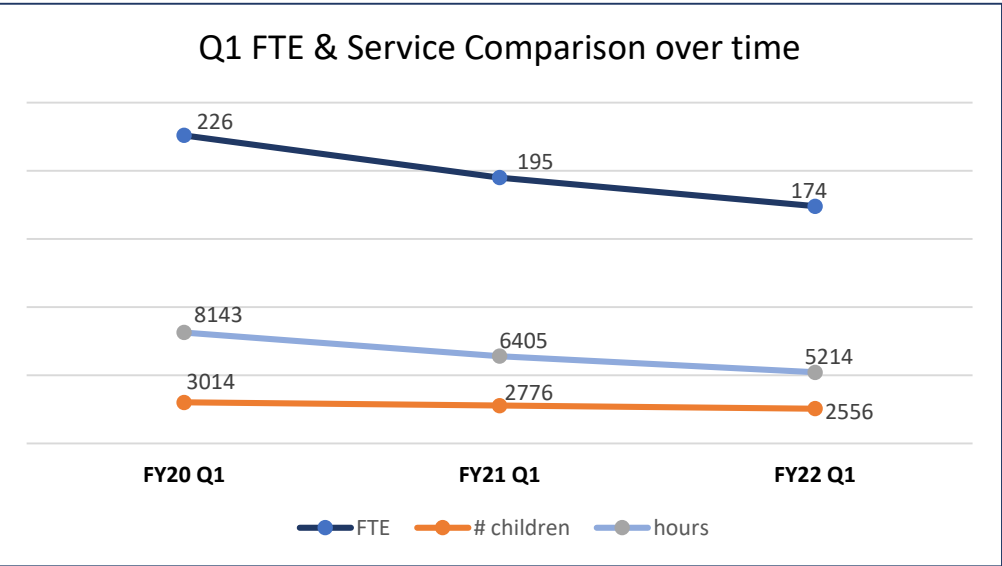
- EOHHS has requested **\$7.5M** in ARPA state fiscal recovery funds to implement the Pediatric Healthcare Recovery program in SFY22.
 - \$6M will be used for practice payments as described above
 - \$1.5M will support implementation through a fiscal intermediary and technical assistance contractor that will be tasked with supporting training and workflow redesign, data collection and reporting, and best practice sharing to aid providers in successfully improving performance, as well as evaluating practice performance and issuing practice payments.

Supporting Early Intervention Recovery

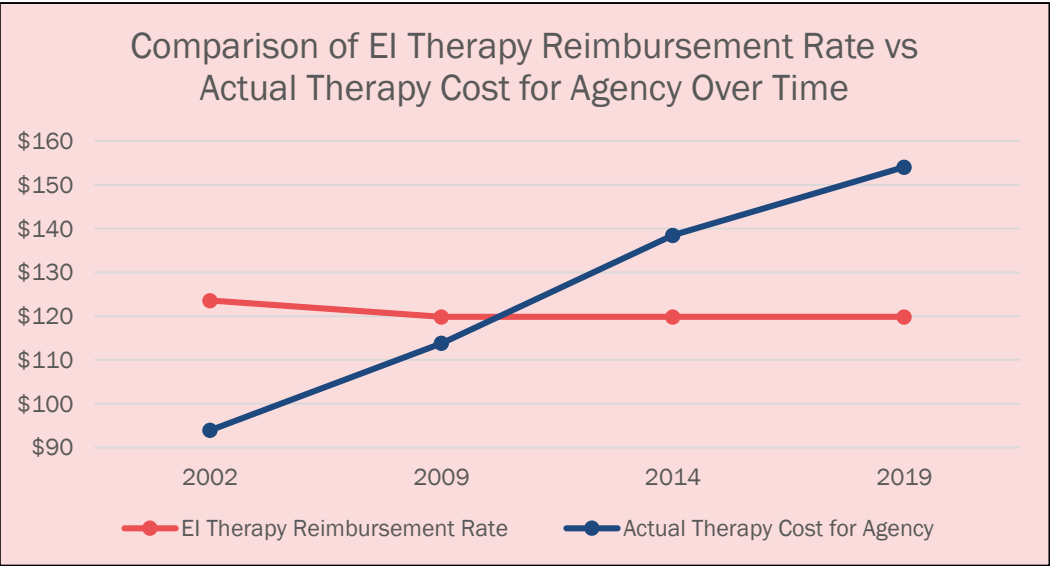
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Early Intervention staffing, by fiscal challenges, have become more prominent since the onset of the COVID-19 Pandemic

- Since the onset of the PHE, EI has seen a decline in referrals and enrollments and is now operating with a 27% reduction in staff as compared to Jan 2019. This is despite EI providers' aggressive efforts to hire and retain staff, and as a result, there are at least 900 hours of services that are not being provided to EI infants and toddlers each month.
- In addition, since March 2020, referral history indicates that at least 1000 infants and toddlers who may have been eligible for EI services were never referred. This is especially true for children enrolled in Medicaid and children of color. Without EI services, these infants and toddlers are more likely to require special education services, have poorer health outcomes, and are more likely to experience child abuse/neglect.



15% decrease in children served by EI providers since pre-pandemic, with a 35% decrease in hours provided.



Provider staffing already tenuous since reimbursement rates have not been raised since 2002. Recue funds can help mitigate short term risk as we respond to the PHE.

Early Intervention Recovery will ensure positive outcomes for Rhode Island's youngest citizens by paying for re-staffing.

STABILIZE

- **Stabilize Early Intervention providers (\$4.5M)** to ensure they have capacity to deliver necessary, required IDEA services for Rhode Island's infants and toddlers with developmental delays.
 - These grants are aimed to supplement the increased costs of service delivery during the PHE and the historically low reimbursement rates that have not kept up with increases in the cost of living.
 - Eligible uses of the stabilization grants will include:
 - Costs associated with recruitment, hiring, and retaining high quality staff so that the EI system can return to 100% staffing capacity
 - Costs associated with outreach and engagement activities to ensure equitable access and engagement in EI services
 - Costs associated with increasing in-person service delivery options

INCENTIVIZE

- **Incentivize EI agencies to deliver on priority outcomes (\$1M)** on a pay-for-performance program with a defined set of targets, including:
 - Recover referral pipeline to 2019 numbers
 - Decrease Staff turnover
 - Increase engagement rates
 - Improvement in Early Intervention National Outcome #1: Positive Social Emotional Skills
 - Reduce disparities in each metric for families with Medicaid coverage and families of color

Supporting DCYF Workforce Stabilization



Rhode Island Department of Children, Youth & Families

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DCYF Provider Workforce Stabilization



Evolving Crisis:

- In Rhode Island, and across the nation, there is a workforce staffing shortage. We know our service providers are members of a community that have been hit especially hard by the workforce crisis; at a time when they were needed most.
- Many providers have capped capacity, and some have closed intake. This has resulted in waiting lists for community-based and congregate care programs.
- Without immediate steps to address frontline staff pay rates, the DCYF will continue to have very limited availability for the necessary support required for treat youth in the community and in congregate care facilities – causing diminishing outcomes for children and families.

DCYF Provider Workforce Stabilization



Mitigation Strategies:

COVID Stimulus – CRF:

- Congregate Care Providers: \$537K through EOHHS and the Workforce Stabilization Loan (Summer 2020)
- Home and Community Based Providers: \$170K through EOHHS modeled after the Workforce Stabilization Loan (Winter 2020)

The Department has tried to expand service options to alleviate programming bottlenecks:

- DCYF has provided foster care families and contract providers premium stipends and created a list of foster parents who are willing to take emergency placements of children.
- The Department has also reinforced its efforts to identify suitable kinship homes for children and/or in need of interim placements.
- We have amended contracts to enhance group care capacity for adolescent males and females.
- We have submitted an RFP to DOA to solicit vendors who can develop residential treatment program for adolescent females.

DCYF Provider Workforce Stabilization

Escalating Staffing Shortages:

According to an August 2021 report from the Rhode Island Coalition for Children and Families (RICCF), organizations are experiencing a 31% job vacancy rate overall, with a 36% vacancy rate in direct care positions and 25% vacancy rate in supervisory and clinical positions.

These vacancy rates exceed the national best practice rate of 10% and are considered unsustainable.

- **As of October 25, 2021, a canvas of providers (97% response rate) identified 1274 FTEs below \$75K, of which 350 vacancies were identified – a 27% vacancy rate.**
- **Vacancies reported in March 2020 were 183 (approx. a 91% increase in vacancies since the start of the pandemic).**

# of FTEs with Salaries under \$75K (by contract)	# of Vacancies as of 10/25/21 (97% of providers responding)	Vacancy Rate as of 10/25/21 (97% of providers responding)
1274	350	27%

DCYF Provider Workforce Stabilization

Impacts on Service and Placement Capacity:

- A total of 75% of responding residential agencies and 38% of community-based agencies indicated that they have capped or reduced the census of youth they are able to serve because of staffing.
- Since February of 2020, capacity has decreased 30%.

Bed Status	# Sites	Feb '20 Capacity	Capacity Now	Beds Not Available
Permanent site closure	3	24	0	24
Site suspension	4	29	0	29
Temp bed reduction	14	162	114	48
Site not currently affected	15	122	122	0
Totals	36	337	236	101

Overall percentage reduction	30%
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DCYF Provider Workforce Stabilization



Proposal Summary:

ARPA-SFRF

- DCYF submitted an ARPA-SFRF proposal for provider wage stabilization (\$12.5M for SFY22).
- Funding would provide a one-time (SFY 2022 only) supplemental wage payments to recognize the demands placed upon provider personnel during the pandemic as well as to incentivize retention and recruitment.
- Staff who earn less than \$75K/annually will receive temporary wage stabilization up to \$694.50 per month. These payments would be retroactive to July 1, 2021.

Recommended Implementation Strategy

- DCYF will effectuate the supplemental wage payments by entering into agreements with provider organizations allowing for a “temporary” wage increase which must be passed on to the eligible employees.
- Funds are not permitted for administrative costs (e.g., advertising or securing a recruiting agency).
- DCYF would reconcile quarterly, and unexpended funds will be returned to the State.

Investing in Affordable Housing and Housing Stability Supports

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Overview

- Building state government housing capacity
- Investing in Affordable Housing
- Cultivating development pipeline
- Housing stability



Building state housing leadership & capacity

- Deputy Secretary
- Office of Housing & Community Development
 - Now hiring
 - \$0.5 million for additional capacity proposed in Governor's down payment



ARPA Down Payment

Thanks to American Rescue Plan funds, we have a major opportunity to invest in affordable housing

- Gov. McKee's down payment proposal will make immediate investments in housing of \$29.5 million, beginning to chip away at the affordability crisis
- The proposal includes:
 - \$15 million to incentivize the development and renovation of affordable housing
 - \$12 million for a property acquisition grant program
 - \$1.5 million for housing stability and homelessness services
 - \$0.5 million for temporary contract staffing support at OHCD
 - \$0.5 million for broadband coordination and planning

Investing in Affordable Housing: Existing Tools

Thanks to the \$65 million bond passed in March:

- Building Homes Rhode Island (BHRI): \$50 M
 - Focuses on rental housing production and preservation (up to 80% AMI) and single-family home production (up to 120% AMI)
 - Received \$54 million in requests for the first round of applications.
- Acquisition and Revitalization Program (ARP): \$15 M
 - Focuses on redeveloping foreclosed and/or blighted properties, redeveloping vacant lots, and developing mixed-use/commercial properties.

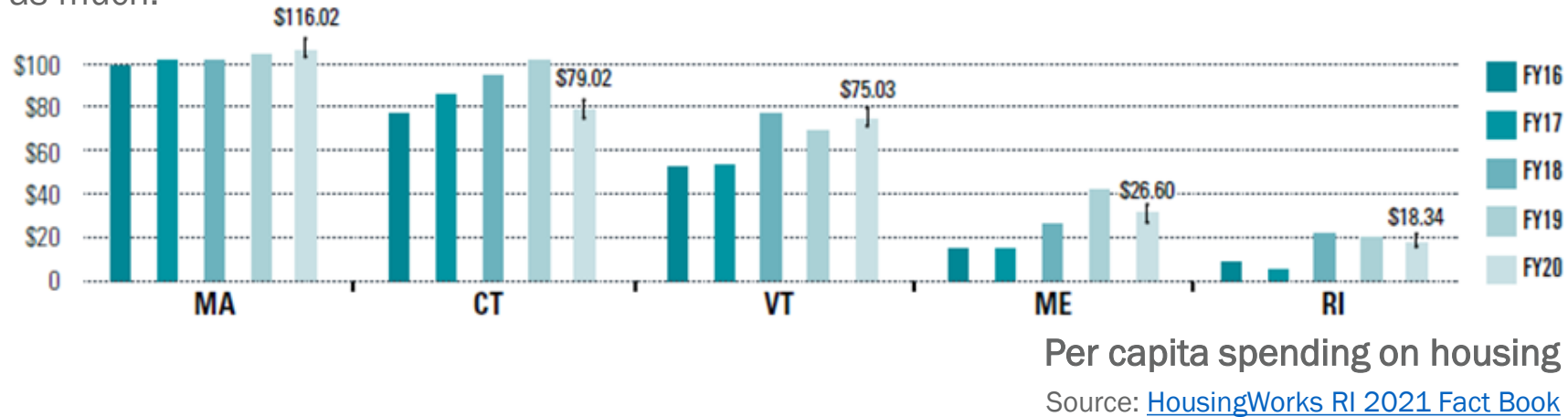
In addition to municipal supports, anticipate using the \$25 million Housing Production Fund for

- Gap financing for acquisition, preservation and new construction through BHRI.
- Production of Units for Extremely Low-Income (<30% AMI) Households
 - Acquisition, rehabilitation and new construction OR capitalized operating reserves

Additional affordable housing gap financing: \$15M

Despite this progress, we have more work to do. Proposing \$15 million in additional funding to support gap financing.

- In FY 2020 on a per capita basis, Massachusetts invested more than 6 times as much as we did, and Connecticut and Vermont invested 4 times as much.



- Governor proposing \$15 million in State Fiscal Recovery Funds to support Affordable Housing production.
 - Would support projects for households with incomes of up to 80% AMI
 - Anticipate deploying these funds through the BHRI process.

\$12 million for Site Acquisition

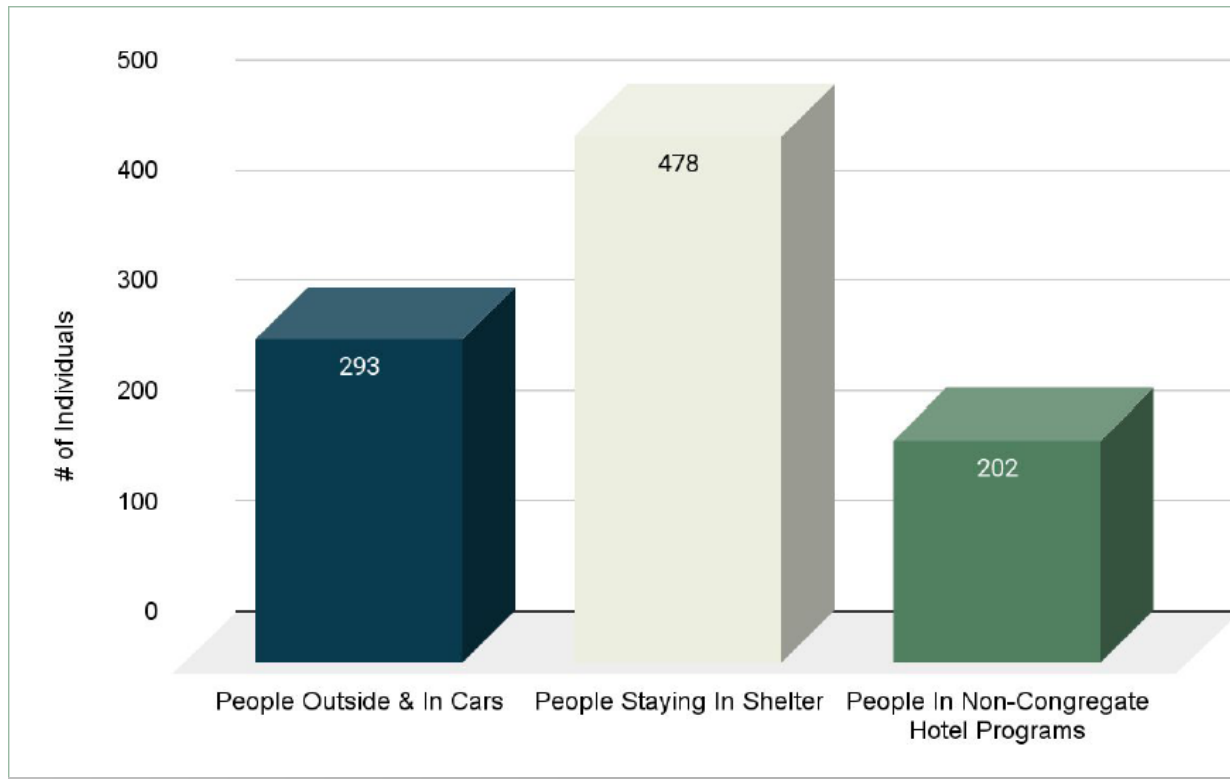
Governor's proposed down payment would invest \$12 million in site acquisition for developing Affordable and Supportive Housing.



- In 2020 RI Housing ran an RFP to acquire \$1.6 million in properties that are provide temporary shelter for the homeless, relieving crowding at existing shelters. Two properties purchased – one in Providence, one in Hopkinton (pictured) – currently providing shelter for 44 homeless persons. Selected developers made a commitment to convert shelters into long-term supportive housing once the pandemic ends.
- Building on this program, would pursue sites for either Affordable or Supportive Housing.

\$1.5 million for Housing Stability

Proposed down payment proposal would allocate \$1.5 million for housing stability and homelessness supports



- From 2020 to 2021, Rhode Island experienced a 68% increase in unsheltered adults.
- Proposed supports include expanding housing navigation, stabilization, and mental health services for families and individuals.
- Builds on major federally-funded investments through CDBG and ESG funds.
- OHCD, working with the State's Continuum of Care (COC), will work through an RFP under its Consolidated Homeless Fund. Expect to fund both existing and/or new providers to meet the need. The State will work with BHDDH and others to supplement funding with other resources, such as the home stabilization initiative, whenever possible.

Public Comment

